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Memorandum

To: Board of Selectmen

From: Martha White, Town Administrator
Michael Walters Young, Deputy Town Administrator

Date: Friday, September 10, 2010

Re: Facilities Management Study Update

This memorandum serves as an update to the ongoing progress of administration's study regarding the facilities management function in the Town of Natick. At your meeting of September 13, you will receive updates for both the facilities management and human services studies. These updates serve two functions:

- a) To update the board as to the status of the studies and the progress staff has made towards each studies' completion; and,
- b) To seek Board members' input regarding each study.

Overview

In June 2010, the Board of Selectmen approved administration's undertaking of a study of Facilities Management with the primary focuses being to analyze the possibility for consolidation of general government and school operations. Primarily, the building maintenance divisions for both the Department of Public Works and the Natick Public Schools are the departments being considered, along with the Land, Facilities and Natural Resources and Energy Division. A series of other departments, including those who manage municipal buildings including Recreation, Council on Aging, Fire, Police, and the Morse Institute Library have also been and will be reviewed for how they interact with the maintenance department and how these public buildings are operated and maintained.

The recent approval of \$100 million dollars worth of new physical plant demands that the Town ensure an efficient and cost-effective approach to the maintenance and management of these and all other buildings and facilities of the Schools and Town.

Research

In addition to reviewing how the departments and their personnel function and interrelate with each other, staff is also investigating what other communities have done with respect to this potential area of consolidation. To date, staff has interviewed officials in Lexington, (a

community that consolidated its construction, energy, facilities management, and building maintenance functions into one shared department in 2007). Further interviews are planned with other communities including Wayland, Wellesley, Needham, Ashland, and Westborough; the results of these findings – some positive and some cautionary – will be presented in the preliminary report.

In addition, the research will provide a comprehensive examination of the following:

1. Facility Overviews (location, size, value, maintenance cost history, historic and planned capital improvements)
2. Organizational Analysis (personnel levels and costs, job responsibilities, current specialty skills within the department and as contractors, and comparative compensation levels)
3. Comprehensive Expenditure Analysis – 5 year history of Facility Management and Maintenance

As communities and departments are being researched, the essential question driving administration's investigation is what is the best method or methods of managing and maintaining the Town's facilities in the most efficient and cost effective manner possible.

Alternatives

Principally, the study will focus on the alternative of consolidating the maintenance divisions of the Public Works and Public Schools departments. That alternative is being researched – from the aspects of efficiency, financial soundness and organizational clarity. A consolidated Department of Facilities Management would incorporate the aforementioned divisions of DPW Building Maintenance, Energy and perhaps all or a portion of the L, F & NR Division, as well as Trades and Facilities Management of the Natick Public Schools under one department. All energy costs – utilities and fuels – would be budgeted in this department as well. Procurement and property management functions relating to the properties which the Town of Natick owns and leases to private parties – would also be incorporated into this Department of Facilities Management.

But many questions remain;

- 1) Would a consolidated department save money in the short, middle and long-term?
- 2) Within what facilities would this department be housed?
- 3) Who would the head of a newly created Department of Facilities Management report to?
- 4) How would discrepancies between union contracts for jobs of similar classification be treated?
- 5) How would the current model which provides for the delivery of several building/facility maintenance functions through private companies be amended or incorporated?
- 6) Would the segregation of facilities management funds outside of the Natick Public Schools budget impact end-of-year education reporting? (in other words, would this combination of functions put the Town at risk regarding it's requirements to fund the "foundation" level of aid)?

- 7) How could a consolidated department positively and negatively impact other Town functions ? (e.g. daily operation of Schools, Libraries, Town Hall, snow removal, etc.)

Other alternatives to be pursued include:

- More limited consolidation of shared functions (procurement of trades, rental management, energy costs)
- Contracting out/privatizing more of the facilities management functions (including but not limited to expansion of the Building Maintenance Divisions approach to contracting out cleaning while repairs are performed by custodians)

Timeline

Administration intends to maintain the original schedule and provide a preliminary report to the Board of Selectmen on November 1 and a final report in January to coincide with the FY 2012 budget presentation.

Please let us know if you have any questions.

Attachments

Original Scope of Study

Questions:

Hughes: Schools approached? A: Yes. Certainly cooperative.
Joseph: See all info? Ann (School
Ostruff: Legal authentication)?



Town of Natick

Facilities Management Study

Scope

Focus: To evaluate management of facilities throughout the Town of Natick and analyze the possibility for consolidation.

Primary Departments Involved: Natick Public Schools (Including Trades, Property Management)
Public Works (Including Energy, L,F & NR, Building Maintenance)

Secondary Departments Involved: Recreation
Council on Aging
Morse Institute Library
Fire
Police
Selectmen

Citizen Stakeholders:

Key Questions:

- 1) What is the opportunity for consolidation of facilities management services between the Town and Schools?
- 2) If consolidation opportunities exist, is it feasible?
- 3) If consolidation opportunities exist, will it save money, add efficiency, or both, or neither?

Communities to compared: Lexington

Table of Contents:

- 1) Introduction
- 2) History of Facilities Management in Natick
- 3) Current Provision for Facilities Management in Natick
- 4) Comparable Communities
- 5) Alternative Service Delivery Models
- 6) Recommendations & Next Steps

Timetable:

September 1: Initial Findings
November 1: Preliminary Findings
January 1: Final Report